STATE OF IOWA

DEPARTMENT OF COMMERCE

UTILITIES BOARD

IN RE:

IES UTILITIES INC. and INTERSTATE POWER COMPANY

DOCKET NOS. TF-01-45 TF-01-46 (WRU-01-1-151, WRU-01-2-150, EEP-95-1, ECR-96-3, EEP-94-40, ECR-96-1)

ORDER APPROVING TARIFFS

(Issued May 14, 2001)

On January 23, 2001, IES Utilities Inc. (IES) and Interstate Power Company (Interstate) each filed with the Utilities Board (Board) a request for waiver of 199 IAC 35.12(2). This rule requires a utility to file an automatic adjustment of its energy efficiency cost recovery factors by March 1 of each year for the 12-month period beginning at the start of the first billing month at least 30 days after the Board's approval of the filing. IES and Interstate requested that they be allowed to file on June 27, 2001, with early August effective dates. The Board granted the waiver requests by order issued February 15, 2001.

Concurrently with its waiver request, Interstate also filed proposed tariff revisions, identified as TF-01-45 and TF-01-46, to its electric and gas energy efficiency cost recovery factors. Rule 199 IAC 35.12 allows utilities to recover

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previously approved energy efficiency costs, deferred energy efficiency expenditures, and estimated contemporaneous energy efficiency expenditures through an annual adjustment. The proposed tariffs eliminate cost recovery factors originally placed in effect May 27, 1997, in Docket No. ECR-96-1. The recovery period is four years and ends May 26, 2001. Interstate requests that the proposed tariffs be effective on June 1, 2001. The Board in its February 15, 2001, order, docketed the proposed tariffs for review.

The Board has completed its review and will approve the tariffs. The tariffs appropriately eliminate cost recovery factors that will terminate at the end of May.

IT IS THEREFORE ORDERED:

1. Tariff filings TF-01-45 and TF-01-46 are approved, subject to complaint or investigation, effective June 1, 2001.

UTILITIES BOARD

/s/ Allan T. Thoms /s/ Susan J. Frye ATTEST: /s/ Judi K. Cooper Acting Executive Secretary

Dated at Des Moines, Iowa, this 14th day of May, 2001.